

MICHIGAN STATE TRANSPORTATION COMMISSION

PUBLIC MEETING

April 19, 2018

Aeronautics Administration Building, Lansing, Michigan

MEETING MINUTES

Members Present: Michael D. Hayes, Vice Chair
Ron J. Boji, Commissioner
George K. Heartwell, Commissioner
Charles F. Moser, Commissioner
Helen Zeerip, Commissioner

Members Absent: Todd A. Wyett, Chair

Also Present: Kirk Steudle, Director, Michigan Department of Transportation (MDOT)
David Brickey, Assistant Attorney General, Transportation Division
Phil Browne, Commission Advisor
Myron Frierson, Director, MDOT Bureau of Finance and Administration
Kristin Schuster, Engineer of Design, MDOT Bureau of Development
Jason Gutting, Engineer, MDOT Construction Field Services Division
Jack Cotter, Commission Auditor, Office of Commission Audits
ShuKeyna Thurman, Executive Assistant, Office of Commission Audits
About 10 to 15 people were in the audience; a sign-in list is attached to the official minutes.

I. WELCOME

Vice Chair Hayes called the meeting to order at 10:01 a.m.

- ***Michigan Department of Transportation Director's Report – Kirk Steudle***

Director Steudle reported that year-to-date traffic-related deaths were down by 54 for a total of 212 compared to this time last year. Unfortunately, Director Steudle said, bridge hits have spiked - particularly with the 100th Street bridge over US-131 in Kent County. At a height of 13 feet 11 inches, this bridge has been hit eight times since January (including a new hit that was just reported today). There were six documented high-load hits from 1985 to 2003. Director Steudle said that this bridge is slated to be replaced in 2020 at a cost of \$20 million. This [video](#) summarizes the history of the 100th Street bridge, including comments by industry experts and future plans for this interchange.

II. COMMISSION BUSINESS

- ***Minutes of January 25, 2018, Commission Meeting***

Commissioner Heartwell requested an amendment be made to the January meetings to include his request for a creation of a Stormwater Management Innovation Task force. The amendment was granted.

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Vice Chair Hayes requested a motion regarding approval of the minutes for the last State Transportation Commission meeting. Commissioner Heartwell made a motion to approve and Commissioner Boji supported. Vice Chair Hayes led a voice vote; all members present voted in favor; **motion to approve carried.**

- ***Minutes of January 25, 2018, Joint Meeting with Michigan Aeronautics Commission***

Vice Chair Hayes requested a motion regarding approval of the minutes for the last State Transportation Commission meeting. Commissioner Heartwell made a motion to approve and Commissioner Boji supported. Vice Chair Hayes led a voice vote; all members present voted in favor; **motion to approve carried.**

- ***Office of Commission Audits (OCA) Update – Jack Cotter***

Mr. Cotter gave a brief description of Certified Fraud Examiners (CFEs) in OCA and what they do. Mr. Cotter spoke on a matter from a year ago where Michigan Federal Highways Administration (FHWA) requested OCA's assistance in a matter with Chicago's OIG regarding an entity that had misappropriated federal funds. OCA, using the guidance of Michigan FHWA and documentation, improper payments were identified. The amount was \$177,000 in total, in which \$144,000 were federal funds.

Vice Chair Hayes commended Mr. Cotter and Commission Audits for the great work they do. **No motion required.**

III. **OVERSIGHT**

- ***Exhibit A: Contract Agreements – Myron Frierson***

Mr. Frierson presented information on 17 agreements. Pending any questions, Mr. Frierson asked for approval of Exhibit A.

Vice Chair Hayes requested a motion regarding approval of Exhibit A. Commissioner Moser made a motion to approve and Commissioner Boji supported. Vice Chair Hayes led a voice vote; all members present voted in favor; **motion to approve carried.**

- ***Exhibit A-1: Bid Letting Pre-Approvals – Myron Frierson***

Mr. Frierson presented information about Letting Statistics and Exhibit A-1. For fiscal year 2018 to date, 198 State trunkline projects were let with a low bid total of \$529.6 million. In comparison to the same period for fiscal year 2017, 178 State projects were let with the low bid total of \$691.4 million. At this point in the year, MDOT has let 91.2 percent of State jobs anticipated and 83.7 percent of cost estimates. For the same period of FY 2017, 97.6% of State jobs were let using 95.0% of the projected construction costs. Upcoming April 6, 2018 lettings are currently advertising 24 State trunkline projects. Exhibit A-1 lists 50

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projects. Pending any questions, Mr. Frierson asked for approval of Exhibit A-1.

Vice Chair Hayes requested a motion regarding approval of Exhibit A-1. Commissioner Boji made a motion to approve and Commissioner Moser supported. Vice Chair Hayes led a voice vote; all members present voted in favor; **motion to approve carried.**

- ***Exhibit A-2: Letting Exceptions – Kristin Schuster***

Ms. Schuster provided information on 1 project that was over the engineer's estimate. Justification memo was provided also for this project where the low bid exceeded the engineer's estimate by more than ten percent; OCA has reviewed. Pending any questions, Ms. Schuster asked for approval of Exhibit A-2.

Vice Chair Hayes requested a motion regarding approval of Exhibit A-2. Commissioner Boji made a motion to approve and Commissioner Heartwell supported. Vice Chair Hayes led a voice vote; all members present voted in favor; **motion to approve carried.**

- ***Supplemental Exhibit A-2: Letting Exceptions – Kristin Schuster***

Ms. Schuster provided information on 1 project that was over the engineer's estimate. Justification memo was provided also for this project where the low bid exceeded the engineer's estimate by more than ten percent; OCA has reviewed. Pending any questions, Ms. Schuster asked for approval of Supplemental Exhibit A-2.

Vice Chair Hayes requested a motion regarding approval of Supplemental Exhibit A-2. Commissioner Moser made a motion to approve and Commissioner Zeerip supported. Vice Chair Hayes led a voice vote; all members present voted in favor; **motion to approve carried.**

- ***Exhibit B: Construction Contracts – Jason Gutting***

Mr. Gutting presented information about Exhibit B, which included cost comparison information about contracts that were recently finalized.

- MDOT Projects for January, February, and March
 - 152 projects totaling approximately \$277 million were finalized.
 - 15 projects were more than 10 percent over the original contract amount
 - 87 projects came in under original contract amount
- January, February, and March final contract costs were respectively 0.69, 1.75, and 1.37 when compared to their original contract amount.
- Fiscal year to date is averaging 0.70 percent over original contract amount.
- Local Agency Projects for January, February, and March
 - 163 projects totaling approximately \$125 million were finalized.

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- 6 projects were more than 10 percent over the original contract amount
- 95 projects came in under original contract amount.

No motion required.

- ***Exhibit C: Six-month Financial Audit Follow-up Report – Jack Cotter***

Mr. Cotter discussed that there were 600 reports issued since March of 2015. Mr. Cotter stated that as of April 17, 2018, OCA has not identified any entities for which an auditor's report was not processed within the required timeline.

Vice Chair Hayes requested motion regarding approval of Exhibit C. Commissioner Heartwell made a motion to approve and Commissioner Moser supported. Vice Chair Hayes led a voice vote; all members present voted in favor; **motion to approve carried.**

IV. **INFORMATIONAL REPORTS**

- ***State Administrative Board Agenda, March 27, 2018 – Myron Frierson***

The Director's Agenda covers memos of understanding with no dollar amounts, revenue agreements, and small dollar amount agreements. The State Administrative Board (SAB) Agenda covers service contracts in excess of \$250,000 and construction contracts in excess of \$500,000. Some items on the SAB agenda, primarily in the area of construction contracts, have previously been submitted to and approved by STC. These two documents are included in the meeting packet, which is posted on the Commission website, in order to inform the public about all types of MDOT bidding activity. **No motion required.**

V. **PRESENTATIONS**

- ***Transportation Asset Management Council (TAMC) 2017 Michigan Roads and Bridges Annual Report – William McEntee, TAMC Co-Chair***

Mr. McEntee discussed the condition of the state's roads and bridges based on 2017 data. For paved federal-aid roads, McEntee said good roads increased by 2 percent, fair roads decreased by 3 percent, and poor roads increased by 1 percent compared to 2016. Mr. McEntee said the percentage of bridges in good condition continues to decline over a five-year trend, fair condition continues to increase, and good condition has seen a slight increase.

"I like to consider myself as an evangelist of asset management planning. I promote it and carry my TAMC pen with me," Commissioner George Heartwell said. He further questioned, "How do we get more agencies to do asset management plans? What we are doing to boost those numbers? The act requires agencies to use asset management plans, but it does not set punitive measures. Should we have a stick?"

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Mr. McEntee responded, "I am not a fan of the stick approach." He further stated the TAMC achieves success through recognizing successful agencies and by conducting education programs.

Vice Chair Michael Hayes said this is a report that needs to go to the Legislature showing the deterioration of the roads. "This is the thing they want in government," Hayes said. "We understand the situation and we have to take action where improvement is needed. The taxpayer needs to accept this data and take action. I applaud the TAMC for showing what government responsiveness is."

Director Steudle said that a European publication reported that Michigan has one of the world's best plans and recognized Denise Jones's staff for their contribution.

- ***State Long-Range Transportation Plan Update – Bradley Sharlow***

Mr. Sharlow discussed how the current plan was adopted in 2007, reaffirmed twice in 2012 and 2016, and new administration in 2019. Mr. Sharlow explained that there are three federally required plans in one, the State Long-Range Transportation Plan, State Freight Plan, and State Rail Plan. Mr. Sharlow stated there's a two-phased approach. The role of the State Transportation Commission is to provide guidance and input and assist in public engagement and outreach. Mr. Sharlow also spoke about the timeline with the final plan approval concluding around December 2020.

- ***2018 Tribal Affairs Update – Claire Stevens***

Ms. Stevens discussed 2017-2018 Tribal Affairs. Ms. Stevens explained how MDOT maintains a variety of ongoing consultative, contractual, and collaborative relationships with each of 12 federally-acknowledged sovereign Tribal governments whose lands are located within the political boundaries of the State of Michigan. Ms. Stevens stated that Tribal governments provide a wide array of governmental services to their members including lawmaking, tribal police and court systems, health and education services, and many more.

Vice Chair Hayes discussed the Gordie Howe International Bridge to break ground this summer. Approximately 95 percent of the land required for the Gordie Howe International Bridge has been acquired on the Michigan side. This is according to Vice Chair Hayes, who is director of the bridge's International Authority, which oversees and approves key steps in the public-private partnership (P3) procurement process. "This is a great milestone," Vice Chair Hayes said, "I commend MDOT, Dave Brickey, and his staff in the Attorney General's Office on making this happen." Director Steudle added, "Including some in the room (referring to the MDOT staff attending the STC meeting)."

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Commissioner Heartwell thanked Director Steudle for coming to Newaygo County to speak and give a presentation.

VI. PUBLIC COMMENTS

VII. ADJOURNMENT

With no further business being before the Commission, Vice Chair Hayes declared the meeting adjourned at 11:35 a.m.

VIII. NEXT MEETING

The next full meeting will be held Thursday, July 19, 2018, in Lansing at the MDOT Aeronautics Building.

Phil Browne
Commission Advisor